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SUBJECT: AMBASSADOR'S INTRODUCTORY CALLS ON THE TURKISH CYPRIOT LEADERSHIP

Classified By: Ambassador Ronald L. Schlicher; Reason 1.4 (b) and (d)

¶1. (C) Summary: On December 27, Ambassador Schlicher paid introductory calls on key players in the Turkish Cypriot leadership -- "President" Mehmet Ali Talat, "Prime Minister" Ferdi Sabit Soyer, and "Foreign Minister" Serdar Denktash -- to discuss the current state of play on the Cyprus issue and prospects for restarting UN-led negotiations. All three were clearly downbeat with respect to prospects for new negotiations. ROC President Papadopoulos was comfortable in his political position and was intent on keeping the Turkish Cypriot side under intense pressure. His ultimate goal, Talat maintained, was to absorb the Turkish Cypriot community by "osmosis." All agreed that only a major shock to the Greek Cypriots -- in particular direct flights into Ercan airport -- would bring Papadopoulos back to the negotiating table. At the same time, Talat identified Turkey's excessive influence in the north as the most serious problem facing his administration. Both Talat and Serdar stressed that, without parallel moves to ease Turkish Cypriot isolation, they would not endorse Ankara's opening ports and airports to ROC-registered ships and planes. Ambassador Schlicher underscored our appreciation for Turkish Cypriot efforts in support a settlement and our sympathy for Turkish Cypriot frustrations. It was essential, however, for the Turkish Cypriot side to stay the course. Backsliding on pro-solution policies would make it impossible for the United States to continue our efforts to alleviate the isolation of the north.

End Summary.

Talat: On The Horns of a Dilemma

¶2. (C) Ambassador told "President" Talat that the United States recognized and appreciated Turkish Cypriot efforts in support of a settlement to the Cyprus problem. This is why we had put in place a range of new programs and policies aimed at easing the isolation of Turkish Cypriots, including: a sizable assistance effort, more flexibility in issuing visas, and high-profile meetings with senior USG officials. We understood Turkish Cypriot frustration, but the leadership was making the right decisions and it was important to hold firm to the current course. Moderate rhetoric would help ensure that the Turkish Cypriot side retained both the moral high ground and the sympathy of the international community.

¶3. (C) Talat stressed his dissatisfaction with the European Union's clumsy handling of the aid and trade package. By bending over backwards to accommodate the Greek Cypriots, the Commission had made it impossible for the Turkish Cypriot side to accept the aid. If the Commission ended up losing

the 120 million Euros, it would be the Greek Cypriot side that was to blame. Papadopoulos' objective was to keep the Turkish Cypriots under economic and political pressure in order to weaken their position at the negotiating table. The economic situation in the north had improved considerably in the last few years, but frustration was growing and the Turkish Cypriot public could see no light at the end of the tunnel. Greek Cypriots believed they would eventually succeed in absorbing the Turkish Cypriots through "osmosis." This was just another word for assimilation and second-class status. The Turkish Cypriots, Talat insisted, were actually more "European" and democratic in their mindset than the Greek Cypriots. The political system in the south, he declared, was essentially "totalitarian" and the Greek Cypriot media tightly-controlled.

¶4. (C) Talat noted that, although Papadopoulos had defied the will of the international community in rejecting the Annan Plan, he had paid no price for his rejectionism and, among international actors, only the United States seemed concerned at the lack of progress towards a Cyprus settlement. The Greek Cypriots would need to be "shocked back to the negotiating table" through serious efforts at lifting Turkish Cypriot isolation, including most importantly direct flights to Ercan airport. Talat stressed that, without real progress on this front, he "would not consent" to Turkey's opening its ports and airports to Cypriot ships and planes. Ankara could not take this step without covering support from the Turkish Cypriot leadership and this would not be forthcoming as long as the ports in the north remained under embargo. Talat anticipated that this would lead to a new crisis between Turkey and the EU sometime in 2006, but the ports issue was an absolute "redline" for the Turkish Cypriots.

¶5. (C) When the Ambassador asked the Turkish Cypriot leader what he considered the most difficult problem he faced in his administration, Talat replied with absolute candor that it was the excessive influence of Ankara. The ECHR had assigned responsibility for the property issue to Turkey rather than to the Turkish Cypriots and Ankara's contribution to the "TRNC" budget ensured Turkey had a say in every decision of consequence. Talat hurried to clarify that his relationship with the GOT was not a bad one and he recognized that Turkish influence could be helpful in pushing difficult legislation -- like the new property law -- through a reluctant parliament.

Soyer: Papadopoulos Looking to Kill Annan

¶6. (C) In his charmingly fractured English, "Prime Minister" Soyer reaffirmed for the Ambassador Turkish Cypriot support for a solution to the Cyprus problem on the basis of the Annan Plan. It was clear, however, that Tassos Papadopoulos and the Greek Cypriot side were uninterested in sharing power with Turkish Cypriots on an equal basis. Papadopoulos wanted to kill the Annan Plan and replace it with something more to his liking. Only by taking significant steps to ease Turkish Cypriot isolation could the international community force Papadopoulos to engage in talks on the basis of the Annan Plan. As with Talat, the Ambassador stressed our appreciation for the frustrating and difficult position in which the Turkish Cypriots found themselves. We were doing what we could to ease the isolation of the north, but it was vital that the Turkish Cypriot leadership maintain its pro-solution orientation.

¶7. (C) Soyer believed that the Turkish Cypriot "government" would hold true to its support for a fair settlement. It took two to tango, however, and Greek Cypriot "paranoia" made it impossible to cooperate with authorities in the south even in areas of clear mutual interest. The Turkish Cypriot side had reached out to Greek Cypriots to coordinate on problems like avian flu, narcotics trafficking and people smuggling that required a comprehensive, island-wide approach. The Greek Cypriot authorities had repeatedly rejected any cooperation with Turkish Cypriot institutions. Rather, the

Greek Cypriot side was always looking for ways to block progress. The Astromeritis/Zodhia crossing had only opened because the Turkish Cypriot side ultimately forced the issue through unilateral action by declaring their side open for business. The Turkish Cypriots had tried this approach again with the Ledra/Lokmaci crossing, although here the results had been more disappointing. The Ambassador underscored the importance of reaching agreement on the Ledra crossing and urged Soyer work closely with UNFICYP on some kind of compromise.

¶8. (C) Ambassador noted the importance of promoting commercial ties between the Turkish Cypriots and the wider world, including the United States. A U.S. company was bidding on a public tender for a desalination plant in the north and we hoped the tender process would be fair and transparent. It was also important to resolve the issue of tariff treatment. U.S. goods entered the north on less favorable terms than European products, which was a disincentive to trade with the United States. Soyer agreed that this tariff issue could and should be rectified and stressed that the "government" had plans to amend the customs law to give U.S. goods equal treatment.

Serdar: Pessimistic Revisionist

¶9. (C) In a characteristically pessimistic mood, "Foreign Minister" Serdar Denktash told the Ambassador that 2006 would be a difficult year for both the Turkish Cypriots and Turkey. The world had turned its back on the Turkish Cypriots and Papadopoulos had "gotten away with" his "no" vote on the Annan Plan. (Comment: This was a bit brazen on Serdar's part, as he himself voted "no" in the referendum and publicly denigrated the agreement). A "win-win solution," Serdar maintained, was simply not achievable in the Cyprus context. Someone was going to lose, and at this point it looked like the Turkish Cypriots had been earmarked for that role. The Ambassador urged that Serdar take the long view. Current circumstances were frustrating and unfair, but the Turkish Cypriot side had made the right choices and was moving in the right direction. Serdar suggested that impatience among

Turkish Cypriots was building to the point where the current approach was no longer sustainable. Support for Talat's CTP (Serdar himself is DP) was dropping fast and the public had little hope that things would improve. Meanwhile, confidence levels on the island were low and prospects for a new UN-led negotiating effort lower still. "We don't trust the Greek Cypriots, and they don't trust Turkey," Serdar explained succinctly. Papadopoulos' goal was to drag the Cyprus issue out from under the UN umbrella and into the EU. This was something Turkish Cypriots could never accept.

¶10. (C) Serdar insisted that the Turkish Cypriot side would not wait indefinitely for a solution to the Cyprus problem. As he has in the past, he warned that Turkish Cypriots would hold onto their pro-solution approach only through the ROC presidential elections in 2008. After that -- and assuming no progress toward a solution -- they would have to explore "other options." The Ambassador cautioned Serdar that these "other options" were illusory. We had been able to reshape fundamentally our engagement with the north only because of the Turkish Cypriot side's commitment to reunification and reconciliation. If that changed, our policy would almost certainly have to change as well. It was not in the interests of Turkish Cypriots to adopt a separatist or rejectionist approach to the Cyprus issue. In the meantime, demonstrations of magnanimity and moderation would help keep Papadopoulos on the defensive.

¶11. (C) Like Talat, Serdar insisted that the Turkish Cypriots would fight against Turkey's opening its ports and airports to ROC-registered traffic without a parallel easing of restrictions on the use of ports in the north. Without our agreement, he bragged, the Turkish Grand National Assembly would never approve opening Turkish ports. Serdar

also made a pitch for direct flights, arguing that an Ankara-Ercan-Washington route would be commercially viable. The Greek Cypriots had proven adept at walking back whatever gains Turkish Cypriot diplomacy produced, including most notably with Azerbaijan and The Gambia. ROC officials followed Serdar wherever he went, assiduously undoing whatever he accomplished on his missions abroad.

Comment

¶12. (C) The message from the Turkish Cypriot leadership was consistent and predictably downbeat. Blue skies notwithstanding, it always seems to be raining in the north. Some of this is affected for our benefit. Even the hard-core pessimists recognize that the Turkish Cypriot standard of living has been on a sustained upswing. But the sentiments behind the argument are real enough. Across the board, the Turkish Cypriots feel themselves abandoned and betrayed by the international community, particularly the European Union.

They see little prospect for a settlement, or for much of anything else. While the status quo may be unacceptable, it is almost certainly sustainable. We will continue to stress with our Turkish Cypriot interlocutors the importance of a long-term view and the risks that backslicing on pro-solution policies would pose to the very real gains they have made since the welcome end of the Denktash era.

SCHLICHER